

Message Text

LIMITED OFFICIAL USE

PAGE 01 BONN 14435 111807Z

64

ACTION TRSE-00

INFO OCT-01 EUR-25 EA-11 ISO-00 SP-03 AID-20 EB-11 NSC-07

RSC-01 CIEP-03 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 DRC-01 /160 W

----- 106449

R 111753Z SEP 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4975

INFO AMEMBASSY BERN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

LIMITED OFFICIAL USE BONN 14435

DEPARTMENT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: GERMAN GOLD CLAUSE

REF: STATE 188463

1. SUMMARY. THE INCLUSION OF A GOLD CLAUSE IN A CONTRACT OR OTHER OBLIGATION IS IN GERMANY SUBJECT TO BUNDES BANK APPROVAL ON A CASE BY CASE BASIS. SUCH APPROVAL HAS NEVER BEEN GIVEN. END SUMMARY.

2. ARTICLE 3 OF THE CURRENCY LAW (WAEHRUNGSGESETZ) OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BONN 14435 111807Z

JUNE 30, L948, STATES: "MONEY DEBTS MAY BE CONTRACTED

IN A CURRENCY OTHER THAN DEUTSCHE MARKS ONLY WITH THE PERMISSION OF THE COMPETENT FOREIGN EXCHANGE CONTROL AGENCY. THE SAME RULE APPLIES TO MONEY DEBTS THE DEUTSCHE MARK AMOUNT OF WHICH IS TO BE FIXED IN TERMS OF THE EXCHANGE RATE FOR SOME OTHER CURRENCY, OR BY THE PRICE OR QUANTITY OF FINE GOLD OR OTHER GOODS OR PERFORMANCES."

3. ARTICLE 49, PARAGRAPH 2 OF THE LAW ON FOREIGN TRADE AND PAYMENTS (AUSSENWIRTSCHAFTSGESETZ) STATES THAT THE BUNDES BANK IS THE AGENCY FROM WHICH PERMISSION MUST BE RECEIVED AND THAT ARTICLE 3, SENTENCE 1 (ABOVE) OF THE CURRENCY LAW DOES NOT APPLY TO TRANSACTIONS BETWEEN RESIDENTS AND NONRESIDENTS.

4. REFERENCING THE ABOVE CITATIONS, THE FRG FINANCE MINISTRY AND THE BUNDES BANK CONFIRM THAT CONTRACTS CONTAINING PROVISIONS FOR PAYMENT IN A STATED QUANTITY OF GOLD OR CURRENCY EQUIVALENT MUST BE APPROVED BY THE BUNDES BANK. SUCH APPROVAL HAS NEVER BEEN GIVEN. MULTIPLE CURRENCY CLAUSES WHEREBY THE LENDER OR SELLER IS GIVEN THE OPTION OF RECEIVING PAYMENT IN FIXED AMOUNTS OF SEVERAL DIFFERENT SPECIFIED CURRENCIES ARE PERMITTED, WITHOUT APPROVAL BEING OBTAINED FROM THE BUNDES BANK, PROVIDED THE DEUTSCHE MARK IS NOT A PART OF THOSE CURRENCIES AND PROVIDED THE CONTRACT IS BETWEEN A RESIDENT AND NONRESIDENT. IF THE DM WERE PART OF THE MULTIPLE CURRENCY BUNDLE OR IF THE CONTRACT WERE BETWEEN RESIDENTS, APPROVAL FROM THE BUNDES BANK WOULD BE REQUIRED. CONTRACT CLAUSES PROVIDING FOR PAYMENT IN CURRENCY EQUIVALENT TO A PREDETERMINED UNIT OF ACCOUNT -- E.G. THE EURCO -- ARE PERMITTED PROVIDED AT LEAST ONE PARTY TO THE CONTRACT IS A NONRESIDENT.

5. NO OTHER STANDARD FOR MEASURING THE VALUE OF CURRENCY OBLIGATIONS EXIST. REFTEL B (4)

6. THE BUNDES BANK MONTHLY REPORT OF APRIL 1971 (VOL. 23, NO. 4) PROVIDES A SYNOPSIS OF CURRENT BUNDES BANK POLICY IN GRANTING PERMITS FOR VARIOUS TYPES LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BONN 14435 111807Z

OF VALUE GUARANTEE CLAUSES.
HILLENBRAND

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MONETARY GOLD, GOLD TRANSACTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 SEP 1974
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BONN14435
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740253-1140
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740954/aaaabtgg.tel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 188463
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by collinp0>; APPROVED <02 JUL 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GERMAN GOLD CLAUSE
TAGS: EFIN, GE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005